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ACTION
OCA 87-0460

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	ACTION	INFO
1. D/OCA		X
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5. DD/House Affairs		X
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

87-0468
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LEGISLATIVE REFERRAL MEMORANDUM

February 6, 1987

TO: Legislative Liaison Officer-

Dept. of Defense - Brick - 586-6718 (06)
National Security Council
Dept. of Justice - Perkins 633-2113 (17)
Dept. of Treasury - Carro - 566-8523 (28)
Dept. of Agriculture - Clemans - 382-1516 (01)
Dept. of Commerce - Levitt - 377-3151 (04)
Central Intelligence Agency
Dept. of Transportation - Collins - 366-4687 (26)
Dept. of Energy - Rabben - 586-6718 (09)
U.S. Information Agency - Dexheimer - 485-7976
Overseas Private Investment Corp. - Hatton - 457-7012
Arms Control & Disarmament Agency - Christopher - 647-3596 (34)
Dept. of Health & Human Service - White
Office of Personnel Management - Woodruff - 632-5524 (22)
African Development Foundation - Magid

SUBJECT: 1. Additional draft provision that State/AID request be included in the draft "International Security and Development Cooperation Act of 1987", sent to you on February 2nd.

2. Draft State/Aid "Supplemental Foreign Assistance Authorization Act of 1987".

NOTE: We still expect comments on the major portion of the draft bill sent to you in an LRM dated 2/2/87 on Monday, February 9th. Comments on the additional material included in this LRM are due on NOON, WEDNESDAY, FEBRUARY 11. After OMB receives all of the agency comments on both LRM's, we will decide whether or not an interagency meeting is necessary and will advise you accordingly. If a meeting is needed, it is tentatively scheduled for Thursday, February 12, at 2:00 P.M.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than WEDNESDAY, FEBRUARY 11, 1987.

Questions should be referred to Sue Thau/Annette Rooney (395-7300), the legislative analyst in this office.

A handwritten signature in cursive script that reads "Ronald K. Peterson".

RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures

cc: Ed Rae
E. Strait
J. Eisenhower

R. Bent
B. Howard



United States Department of State

Washington, D.C. 20520

Dear Mr. Miller:

We request OMB clearance to transmit the enclosed bill--The Supplemental Foreign Assistance Authorization Act of 1987--and related documents to the Congress. The bill authorizes supplemental appropriations for the fiscal year 1987 for international security and disaster assistance programs, the Peace Corps, and for other purposes.

We also request that you clear the enclosed "Additional Provision" that was inadvertently omitted from the draft International Security and Development Cooperation Act of 1987, that we sent to you for clearance on Friday, January 30, 1987.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "M. Peter McPherson".

M. Peter McPherson
Administrator
Agency for International
Development

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Edward J. Derwinski".

Edward J. Derwinski
Counselor

Enclosure

The Honorable
James C. Miller, III, Director
Office of Management and Budget.

A BILL

To authorize supplemental appropriations for the fiscal year 1987 for international security and disaster assistance programs, the Peace Corps, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Supplemental Foreign Assistance Authorization Act of 1987".

FOREIGN ASSISTANCE ACT AUTHORIZATIONS

SEC. 2. (a) In addition to amounts otherwise available for the fiscal year 1987 to carry out the provisions of section 491 of the Foreign Assistance Act of 1961, there are authorized to be appropriated \$100,000,000 for earthquake relief, rehabilitation, and reconstruction in El Salvador.

(b) In addition to amounts otherwise available for the fiscal year 1987 to carry out the provisions of chapter 2 of Part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated \$261,000,000. Funds authorized by this subsection shall be made available notwithstanding section 101(f) of P.L. 99-83.

(c) In addition to amounts otherwise available for the fiscal year 1987 to carry out the provisions of chapter 4 of Part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated \$47,000,000. Supplemental

assistance made available to carry out the provisions of chapter 4 of Part II and which is allocated for Southern Africa regional programs shall be made available notwithstanding section 802(a) of P.L. 99-83.

DEPARTMENT OF STATE

SEC 3. In addition to amounts otherwise available for the fiscal year 1987 for "United States Bilateral Science and Technology Agreements", there are authorized to be appropriated \$1,900,000 for such purposes.

AFRICAN DEVELOPMENT FOUNDATION

SEC. 4. In addition to amounts otherwise available for the fiscal year 1987 to carry out the provisions of the African Development Foundation Act, there are authorized to be appropriated \$114,000.

PEACE CORPS

SEC. 5. In addition to amounts otherwise available for the fiscal year 1987 to carry out the provisions of the Peace Corps Act, there are authorized to be appropriated \$760,000.

REPEALS

SEC. 6. Sections 2013 and 2030(c) of the Anti-Drug Abuse Act of 1986 are hereby repealed.

SECTION-BY-SECTION ANALYSIS

Section 2(a) of the bill authorizes the appropriation of \$100,000,000 for International Disaster Assistance. These funds will be used for earthquake relief, rehabilitation, and reconstruction in El Salvador. This assistance is in addition to funds appropriated for this purpose in the Foreign Assistance and Related Programs Appropriations Act, 1987 (as included in P.L. 99-591).

Section 2(b) of the bill authorizes the appropriation of \$261,000,000 for Military Assistance Programs for FY 1987. Funds authorized by this subsection will be made available notwithstanding the provisions of section 101(f) of the International Security and Development Cooperation Act of 1985 (P.L. 99-83) regarding limitations on Military Assistance Program assistance for Turkey.

Section 2(c) of the bill authorizes the appropriation of \$47,000,000 for Economic Support Fund programs for FY 1987. The Administration's request for supplemental Economic Support Fund assistance is \$297,000,000. However, because the amount appropriated in FY 1987 in the foreign assistance appropriations act for Economic Support Fund assistance was \$250 million less than the authorized level, only an additional \$47 million is required to be authorized to satisfy the Administration's request. Supplemental assistance (including funds authorized by the bill) which is allocated for Southern Africa regional programs will be made available notwithstanding section 802(a) of P.L. 99-83.

Section 3 of the bill authorizes the appropriation of \$1,900,000 for United States Bilateral Science and Technology Agreements for FY 1987. The Administration's supplemental request for this program is \$2,000,000. P.L. 99-88 authorized \$2 million for this program for FY 1987 against which \$1.9 million was appropriated. Therefore, \$1.9 million needs to be authorized to satisfy the Administration's request.

Section 4 of the bill authorizes the appropriation of \$114,000 for the African Development Foundation for FY 1987.

Section 5 of the bill authorizes the appropriation of \$760,000 for the Peace Corps for FY 1987.

Section 6 repeals two provisions of the Anti-Drug Abuse Act of 1986. The section repeals section 2013 of that act since the reporting requirements of that section largely duplicate those contained in section 481(h) of the Foreign Assistance Act. The section also repeals section 2030(c) which conditions the obligation of \$1 million of narcotics control funds for Mexico on Mexico's completion of judicial proceedings regarding the deaths of and assaults on Drug Enforcement Administration personnel. Withholding this assistance will only serve to further hinder our narcotics eradication efforts in Mexico.

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ADDITIONAL PROVISION

SEC. _____. Section 61(a) of the Arms Export Control Act is amended by deleting everything after the words "for the Department of Defense" the second time they appear and inserting in lieu thereof a period, and by inserting immediately following the second sentence thereof the following sentence: "The costs specified in paragraph (3) of this subsection may be financed by credits made available under this Act or military assistance funds made available under section 503 of the Foreign Assistance Act of 1961.".

Section-by-Section Analysis

This section extends authority provided in the fiscal year 1987 Omnibus Continuing Resolution to permit reciprocal, no-cost leasing of defense articles for the Department of Defense. Present statutory language limits reciprocal use of defense articles to one year, one country and subjects such use to the regular notification procedures to the appropriation committees. This section makes this authority permanent and extends it worldwide without requiring notification additional to the current notifications under section 62 of the Arms Export Control Act for all proposed leases for one year or longer. It also permits use of available FMS credits and MAP funds to finance the rent, an option which may prove the only way for economically-constrained countries to finance leases of defense articles.